

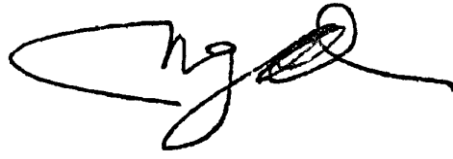
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: December 20, 2011

SUBJECT: Fiscal Impact Statement – “Board of Elections and Ethics Government Accountability Reform Amendment Act of 2011”

REFERENCE: Bill 19-511, Amendment in the Nature of a Substitute, shared with OCFO on December 5, 2011

Conclusion

Funds are not sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed legislation. Implementation of the proposed legislation will have a negative fiscal impact of \$73,000 in the FY 2012 budget and of approximately \$1.45 million over the FY 2012 through FY 2015 financial plan period.

Background

This Amendment in the Nature of a Substitute would replace the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011.

The substantive changes in this proposed amendment relative to the underlying Bill 19-511, which was marked up by the Committee on Government Operations on December 5, 2011, are as follows:

- Keep a new Board of Ethics within the Board of Elections and Ethics (“BOEE”).
- Add two members to the Board of Elections and Ethics.
- Make the Chairman of the Board of Ethics a full-time employee.
- Does not require Director and General Counsel positions for the Board of Ethics.
- Transfer the combined functions and the associated annual \$350,000 budget of the Office of Open Government with the new Board of Ethics to BOEE.

The Honorable Kwame R. Brown

FIS: B19-511 "Board of Elections and Ethics Government Accountability Reform Amendment Act of 2011", Amendment in the Nature of a Substitute, shared with the Office of Revenue Analysis on December 19, 2011.

Financial Plan Impact

Funds are not sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation will cost an estimated \$73,000 in FY 2012 and \$1.45 million over the FY 2012 through FY 2015 financial plan period to implement.

The proposed legislation would add staff and authority to BOEE. The legislation makes the new Chairman of the Board of Ethics a full-time employee which is projected to be Salary Grade E5 at \$149,000 plus benefits. The Chairman position is also assumed to be an attorney. The staff necessary to fulfill the new responsibilities are projected to be a supervisor of the audit and investigations functions at Salary Grade 13 at \$72,000 plus benefits, two staff attorneys at Salary Grade 13 at \$82,000 each plus benefits, and four staff to perform audits and investigations at Salary Grade 12 at \$62,000 plus benefits. OCFO projects these 8 positions and the additional part-time Board member will join the District payroll approximately April 1st for half of FY 2012. Additionally these positions will require a one-time purchase of new technology and equipment for \$40,000 in FY 2012.

The legislation assumes the existing BOEE office space will be sufficient to house the new staff. The Office of Revenue Analysis has not confirmed this assumption. If sufficient space is not available at BOEE, additional office space will be required at an estimated cost of \$35,000 annually.

Estimated Costs of Implementation of Board of Elections and Ethics Government Accountability Reform Amendment Act of 2011					
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012 - FY 2015
Board Chair	\$87,000	\$180,000	\$187,000	\$194,000	\$648,000
Board Member (1)	\$12,500	\$12,500	\$12,500	\$12,500	\$50,000
Audits and Investigations (1 supervisor, 4 audit/investigation, and 2 general counsel staff)	\$284,000	\$588,000	\$609,000	\$631,000	\$2,112,000
Office & Technology	\$40,000	\$0	\$0	\$0	\$40,000
Total Costs	\$423,000	\$781,000	\$898,000	\$837,000	\$2,850,000
Resources from the Office of Open Government	\$350,000	\$350,000	\$350,000	\$350,000	\$1,400,000
Net Fiscal Impact	\$73,000	\$431,000	\$458,000	\$487,000	\$1,450,000